

October 17, 2005

Fluid Minerals Group
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

RE: Application for Permit to Drill—Dominion Exploration & Production, Inc.
Skyline Unit 14-28, 668' FSL & 2,545' FWL, SE/4 SW/4,
Section 28, T14S, R6E, SLB&M, Sanpete County, Utah

Dear Fluid Minerals Group:

On behalf of Dominion Exploration & Production, Inc. (Dominion), Buys & Associates, Inc. respectfully submits the enclosed original and two copies of the *Application for Permit to Drill (APD)* for the above referenced well. A request for exception to spacing (R649-3-2) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary. Dominion Exploration & Production, Inc. is the only owner and operator within 460' of the proposed well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access and utility corridors;

Exhibit "C" - Production site layout;

Exhibit "D" - Drilling Plan;

Exhibit "E" - Surface Use Plan;

Exhibit "F" - Typical BOP and Choke Manifold diagram.

Please accept this letter as Dominion's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Carla Christian of Dominion at 405-749-5263 if you have any questions or need additional information.

Sincerely,

Don Hamilton
Don Hamilton
Agent for Dominion

cc: Diana Whitney, Division of Oil, Gas and Mining
Tom Lloyd, Forest Service - Ferron District Office
Dale Harber, Forest Service—Supervisors Office
Lee Holmstead, Sanpete County
Carla Christian, Dominion
Ken Secrest, Dominion
Marty Buys, Buys & Associates, Inc.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-77262
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allocated or Tribe Name N/A
2. Name of Operator Dominion Exploration & Production, Inc.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134	3b. Phone No. (include area code) 405-749-5263	8. Lease Name and Well No. Skyline Unit 14-28
4. Location of Well (Report location clearly and in accordance with any State requirements.) 39.568082 At surface 668' FSL & 2,545' FWL, SE1/4 SW1/4, 477961Y At proposed prod. zone 668' FSL & 2,545' FWL, SE1/4 SW1/4, 4379643Y 111.256571		9. API Well No. 43-639-30028
10. Field and Pool, or Exploratory undesignated		11. Sec., T. R. M. or Blk. and Survey or Area Section 28, T14S, R6E, SLB&M
14. Distance in miles and direction from nearest town or post office* 25.9 miles northwest of Orangeville, Utah		12. County or Parish Sanpete
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2,545'		13. State UT
16. No. of acres in lease		17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. None		20. BLM/BIA Bond No. on file 76S 63050 0330
19. Proposed Depth 7,250		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 9,083' GL
22. Approximate date work will start* 07/15/2006		23. Estimated duration 30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Don Hamilton</i>	Name (Printed/Typed) Don Hamilton	Date 10/17/2005
Title Agent for Dominion		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 02-13-06
Title ENVIRONMENTAL SCIENTIST III		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this
Action is Necessary

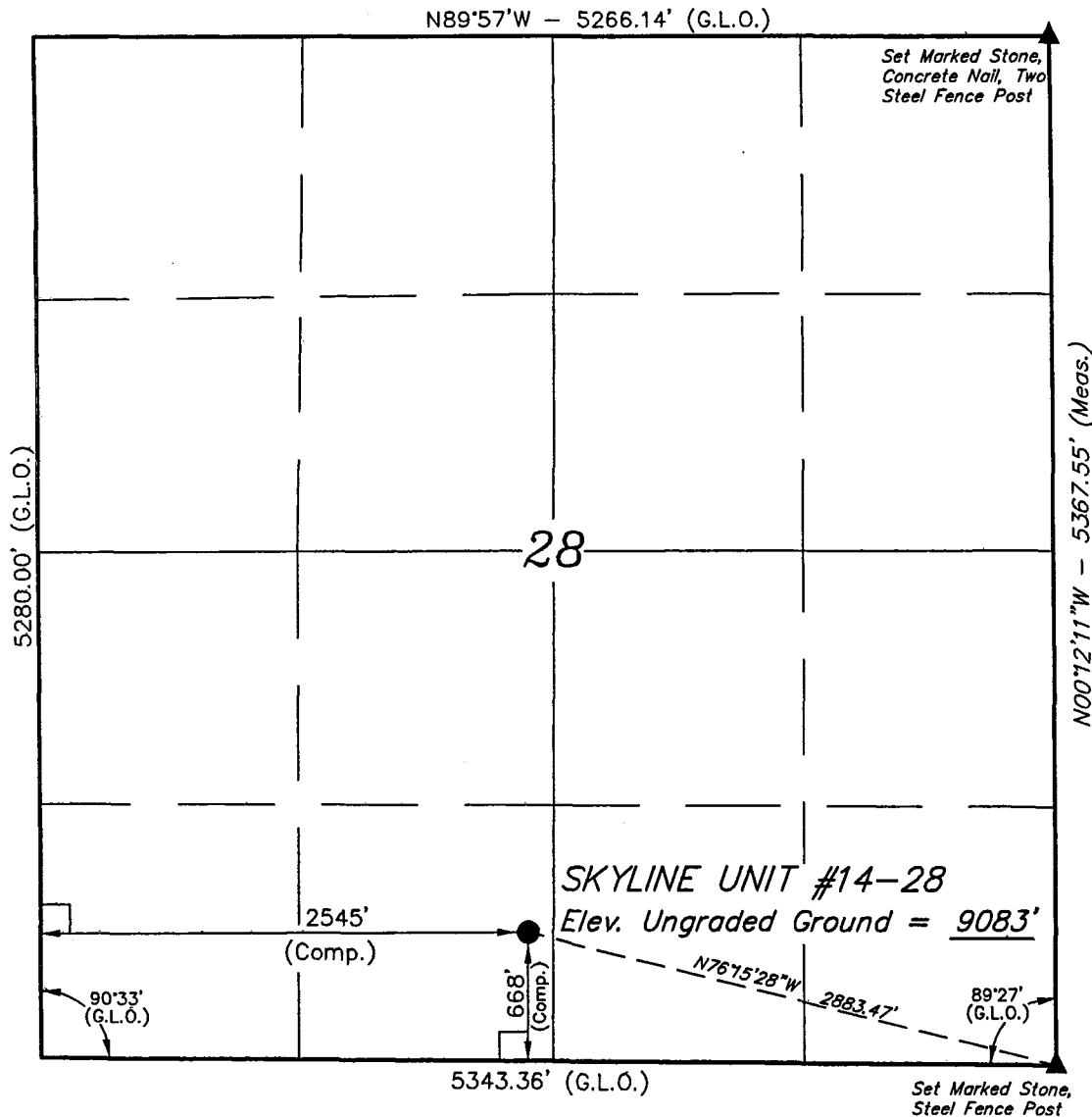
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T14S, R6E, S.L.B.&M.



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 39°34'04.88" (39.568022)
 LONGITUDE = 111°15'25.30" (111.257028)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°34'05.01" (39.568058)
 LONGITUDE = 111°15'22.67" (111.256297)

DOMINION EXPLR. & PROD., INC.

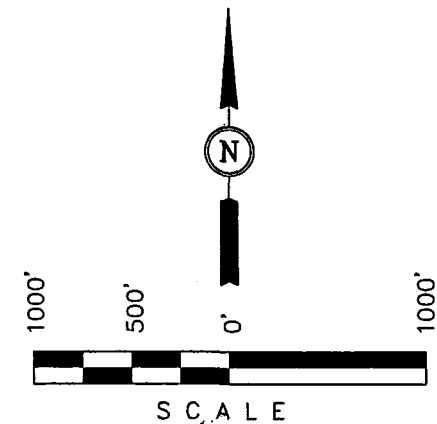
Well location, SKYLINE UNIT #14-28, located as shown in the SE 1/4 SW 1/4 of Section 28, T14S, R6E, S.L.B.&M. Sanpete County Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 28, T14S, R6E, S.L.B.&M. TAKEN FROM THE CANDLAND MOUNTAIN QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 8777 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-16-05	DATE DRAWN: 08-29-05
PARTY B.B. J.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE DOMINION EXPLR. & PROD., INC	

DRILLING PLAN

APPROVAL OF OPERATIONS

Attachment for Permit to Drill

Name of Operator: Dominion Exploration & Production
Address: 14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Well Location: Skyline Unit 14-28
668' FSL & 2545' FWL
Section 28-14S-6E
Emery County, UT

1. GEOLOGIC SURFACE FORMATION North Horn
2. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>
Price River	275'
Castlegate	775'
Blackhawk	1,100'
Star Point	2,000'
Mancos	2,300'
Emery	3,550'
Bluegate	4,900'
Ferron	6,600'
Tununk	7,125'

3. ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>	<u>Type</u>
Price River	275'	—
Castlegate	775'	—
Blackhawk	1,100'	—
Star Point	2,000'	—
Mancos	2,300'	—
Emery	3,550'	Gas
Bluegate	4,900'	—
Ferron	6,600'	Gas
Tununk	7,125'	—

4. PROPOSED CASING PROGRAM

All casing used to drill this well will be new casing.

<u>Type</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Conn.</u>	<u>Top</u>	<u>Bottom</u>	<u>Hole</u>
Surface	13-3/8"	54.5 ppf	J-55	STC	0'	1,100'	17-1/2"
Intermediate I	9-5/8"	40.0 ppf	J-55	LTC	0'	3,560'	12-1/4"
Intermediate II	7"	26.0 ppf	N-80	LTC	0'	6,610'	8 3/4"
Production	4-1/2"	11.6 ppf	N-80	LTC	0'	7,250'	6-1/4"

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DRILLING PLAN

APPROVAL OF OPERATIONS

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Surface hole: No BOPE will be utilized.

Intermediate hole: To be drilled using a diverter stack with rotating head to divert flow from rig floor.

Production hole: Prior to drilling out the intermediate casing shoe, 3,000 psi or greater BOP equipment will be installed.

The pipe rams will be operated at least once per day from intermediate casing to total depth. The blind rams will be tested once per day from intermediate casing to total depth if operations permit.

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP "stack" will consist of two BOP rams (1 pipe, 1 blind) and one annular type preventer, all rated to a minimum of 3,000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling below the intermediate casing shoe. All test pressures will be maintained for fifteen (15) minutes without any significant pressure decrease. Clear water will be circulated into the BOP stack and lines prior to pressure testing. The following test pressures will be used as a minimum for various equipment items.

1.	Annular BOP	1,500 psi
2.	Ram type BOP	3,000 psi
3.	Kill line valves	3,000 psi
4.	Choke line valves and choke manifold valves	3,000 psi
5.	Chokes	3,000 psi
6.	Casing, casinghead & weld	1,500 psi
7.	Upper kelly cock and safety valve	3,000 psi
8.	Dart valve	3,000 psi

6. MUD SYSTEMS

- An air or an air/mist system may be used to drill to drill the surface hole until water influx becomes too great.
- KCL mud system will be used to drill well.

<u>Depths</u>	<u>Mud Weight (ppg)</u>	<u>Mud System</u>
0' - 1,100'	8.6	Air foam mist, no pressure control
1,100' - 3,560'	8.6	Air Mist, Fresh water, 2% KCL/KCL mud system
3,560' - 6,610'	8.6	Fresh water/2% KCL/KCL mud system
6,610' - 7,250'	8.6	Fresh water/2% KCL/KCL mud system

7. BLOOIE LINE

- An automatic igniter will not be installed on blooie line. The blooie will have a constant ignition source.
- A "target tee" connection will be installed on blooie line for 90° change of directions for abrasion resistance.
- "Target tee" connections will be a minimum of 50' from wellhead.
- The blooie line discharge will be a minimum of 100' from the wellhead.

8. AUXILIARY EQUIPMENT TO BE USED

- a. Kelly cock.
- b. Full opening valve with drill pipe connection will be kept on floor. Valve will be used when the kelly is not in string.

9. TESTING, LOGGING, AND CORING PROGRAMS TO BE FOLLOWED

- Resistivity/Sonic/GR/Caliper log from surface casing to TD.
- LDT/CNL/GR/Caliper detail log from base of 7" casing to TD.
- Possible MRIL from base of 9 5/8" casing to TD.

10. ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED

- Expected BHP 1,500-2,000 psi (lower than normal pressure gradient).
- No abnormal temperature or pressures are anticipated.
- The formations to be penetrated do not contain known H2S gas.

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DRILLING PLAN

APPROVAL OF OPERATIONS

11. WATER SUPPLY

- No water pipelines will be laid for this well.
- No water well will be drilled for this well.
- Drilling water for this well will be hauled on the road(s) shown in Attachment No. 3.
- Water will be leased from Nielson Construction through a direct purchase agreement. A Sundry will be submitted with the appropriate water rights information in the future.

12. CEMENT SYSTEMS

- a. Surface Cement: Drill 17 1/2" hole to 1,100' and cement 13 3/8" casing to surface.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Lead	580	0'-800'	12.5 ppg	1.91 CF/SK	550 CF	1,100 CF	100%
Tail	390	800'-1,100'	15.8 ppg	1.17 CF/SK	227 CF	454 CF	100%

Lead Mix: Halliburton Lite Premium + 1% CaCl₂ + 1/4 pps Flocele

Tail Mix: Halliburton Premium Cement + 2% CaCl₂ + 1/4 pps Flocele

- b. Intermediate Casing I Cement: Drill 12 1/4" hole to 3,560' and cement 9 5/8" casing to surface.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Lead	290	0'-3,000'	10.5 ppg	4.10 CF/SK	1,158 CF	1,534 CF	25%
Tail	150	3,000'-3,560'	14.2 ppg	1.62 CF/SK	190 CF	296 CF	25%

Lead Mix: Halliburton Premium - Type III

Tail Mix: Halliburton Premium Cement + 10% Cal-Seal 60 + 2% CaCl₂ + 1/4 pps Flocele

- c. Intermediate Casing II Cement: Drill 8 3/4" hole to 6,610' and cement 7" casing to 3000'.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Lead	150	3,000'-4,500'	12.5 ppg	1.98 CF/SK	213 CF	277 CF	30%
Tail	270	4,500'-6,610'	14.2 ppg	1.61 CF/SK	325 CF	422 CF	30%

Lead Mix: Halliburton 50/50 Poz Premium + 8% gel + 10% Cal-Seal 60 + 1/4 pps Flocele

Tail Mix: Halliburton Premium Cement + 10% Cal-Seal 60 + 1% CaCl₂ + 1/4 pps Flocele

- d. Production Casing Cement: Drill 6 1/4" hole to 7,250' and cement 4 1/2" casing to 6,200'.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Primary	80	6,200'-7,250'	13.0 ppg	1.74 CF/SK	112 CF	129 CF	15%

Primary Mix: Halliburton Lite Premium + 3% KCL + 1% Econolite + 0.6% Halad-322 + 1/4 pps Flocele

13. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: July 15, 2006

Duration: 30 Days

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SURFACE USE PLAN

CONDITIONS OF APPROVAL

Attachment for Permit to Drill

Name of Operator: Dominion Exploration & Production
Address: 14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Well Location: Skyline Unit 14-28
668' FSL & 2545' FWL
Section 28-14S-6E
Emery County, UT

THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

The onsite inspection for the referenced well was conducted on Wednesday, August 31, 2005 at approximately 11:30 am. Weather conditions were hot and dry. In attendance at the onsite inspection were the following individuals:

Tom Lloyd	Project Lead / District Geologist	Forest Service
Michael Davis	NEPA coordinator	Forest Service
Dale Harbor	Geologist	Forest Service
Don Wilcox	Engineer	Forest Service
Terry Nelson	Biologist	Forest Service
Cathy Dodt-Ellis	District Archaeologist	Forest Service
Katherine Foster	Hydrologist	Forest Service
Michael McMican	Drilling Engineer	Dominion E&P, Inc.
Tim Jensen	Geologist	Dominion E&P, Inc.
Monty Dolph	Construction Foreman	Dominion E&P, Inc.
Allan McNally	Drilling Manager	Dominion E&P, Inc.
Ken Secrest	Production Foreman	Dominion E&P, Inc.
Jim Sweat	Construction Foreman	Dominion E&P, Inc.
John Floyd	Surveyor	Uintah Engineering
P. Justice	Surveyor Hand	Uintah Engineering
Arch Allred	Safety	Neilson Construction
Don Hamilton	Permitting Agent	Buys & Associates, Inc.

1. Existing Roads:

- a. The proposed well site is located approximately 25.9 miles northwest of Orangeville, UT.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.

- c. The use of roads under State and County Road Department maintenance are necessary to access the Skyline Unit. However, an encroachment permit is not anticipated since no upgrades to the State or County Road system are proposed at this time.
- d. The forest maintained road from SR-31 at the Millers Flat turn-off to the Rolfson Reservoir intersection would be utilized for 1.5 miles to access the road continuing from the intersection to the proposed wellsite. A commercial road use permit for the road is pending submission at this time. Minor upgrades to this road are anticipated to accommodate the increase in traffic; however, no engineering will be performed since the road is presently to acceptable Forest Service standards.
- e. The existing two-track road (Rolfson Reservoir Road) from the intersection to a point where a new access is proposed would be upgraded to forest specifications under a pending full road design by Uintah Engineering and Land Surveying. A commercial road use permit would also be required for the approximately 0.7 miles of upgrade and is pending submission at this time.
- f. All existing roads will be maintained and kept in good repair during all phases of operation.
- g. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- h. Since only drainage and aggregate improvements are anticipated to the access roads no topsoil striping will occur.
- i. Move-in and Move-out of the drill rig will not be allowed during holiday weekends and will be restricted during the big game hunting seasons as specified by the Forest Service as conditions for approval of the Surface Use Plan of Operations.

2. Planned Access Roads:

- a. From the existing Rolfson Reservoir access road northwest to the well site will be primarily new construction along segments of an existing ATV trail. The 0.6 miles of road from the Rolfson Reservoir access road to the well site will require extensive construction in which a road design plan is presently being developed for the Forest Service road upgrade to supplement this application.
- b. A maximum grade of 10% will be maintained throughout the project.
- c. Drainage structures will be incorporated into the pending road design plan and meet Forest Service specifications and approval prior to any construction.
- d. A gate or cattle guard will not be necessary since the area is presently open to OHV traffic.
- e. A pre-construction meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road must be construction-staked prior to this meeting. Site specific requirements will be discussed at that time.
- f. Following the road construction stakes any timber that must be removed will be sawed,

debarked and bunked into 4' lengths. The bunked lengths slash and several full length logs will be left at the edge of the disturbed area for future reclamation in a non-continuous upslope windrow. No merchantable or non-merchantable timber products will be removed from forest lands. The entire staked area will then be stripped of the entire A horizon topsoil with the topsoil being stockpiled inside of the timber windrow on the upslope side of the road. All topsoil must be stripped from areas to be disturbed and stockpiled for reclamation in such a way as to prevent soil loss and contamination.

- g. Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the Forest Service in advance.
- h. Unauthorized off-road vehicular travel is prohibited.
- i. The proposed access road will consist of a 24' travel surface within a disturbed area of varying width that will be outlined within the road design
- j. No turnouts are proposed since the access road is only 0.6 miles long and adequate site distance exists in all directions.
- k. No surfacing material will come from federal lands.
- l. Adequate signs will be posted along Forest Service Development Roads and as appropriate along the county road to warn the public of project related traffic.
- m. An off-lease federal Right-of-Way is required for the access road since the Emery County portion is located outside of the pending Skyline Unit boundary.

3. Location of Existing Wells:

- a. No existing water, injection, disposal or producing wells exist within a one mile radius of the proposed well (See Exhibit "B").
- b. Numerous abandon coal exploration holes exist in the area and have not been shown on the maps since they are not wells.

4. Location of Production Facilities:

- a. The production facilities layout will be submitted to the Forest Service prior to installation if the well is proven productive. Production facilities may be subject to further analyses and approval by the Forest Service.
- b. All permanent structures (in place for six months or longer) constructed or installed (including pump jacks and separators) will be painted a flat, non-reflective olive black to match the standard environmental colors, as determined by the approving agency. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- c. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- d. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply

with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

- e. A tank battery will be constructed on this location; it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- f. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- g. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- h. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- i. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the southeast side of the well site and traverse 6,800' southeast to the existing 8" steel surface pipeline that services the Flat Canyon area.
- j. The new gas pipeline will be an 8" or less steel surface line within a 40' wide utility corridor. The use of the proposed well site and existing access roads and trails will facilitate the staging of the pipeline construction. A new pipeline length of approximately 6,800' is associated with this well.
- k. Dominion intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Dominion intends on connecting the pipeline together utilizing conventional welding technology.
- l. All gasoline and diesel-powered equipment will be equipped with effective spark arresters or mufflers. Spark arresters will meet Forest Service specifications discussed in the USDA Forest Service Spark Arrester Guide. In addition, all electrical equipment must be properly insulated to prevent sparks.

5. Location and Type of Water Supply:

- a. The location and type of water supply has been addressed as number 11 within the previous drilling plan information.

6. Source of Construction Material:

- a. Pad construction material will be obtained from Nielson Construction near Huntington, Utah.
- b. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.
- c. No construction materials will be removed from Forest Service lands

- d. Any gravel used will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities designed for the safe storage and disposal of the waste material.
- b. Drill cutting will be contained and buried on site if they are free of liquid and proved through laboratory analysis to be free of any toxins including barium-containing compounds. Should the cutting fail to meet this requirement as determined by the Forest Service they will be hauled off of Forest Service lands for placement in an approved solid waste disposal site.
- c. The reserve pit will be located outboard of the location and along the northeast side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 12 mil minimum thickness synthetic liner material unless designated otherwise by the Forest Service officers prior to construction. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Emery County Landfill near Orangeville, Utah. Burning of trash and debris is prohibited.
- h. After first production, produced wastewater will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the Authorized Officers approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- i. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- j. Sanitary facilities are required on site at all times during operations. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations. The installation of facilities, other than self-contained chemical toilets, is subject to State and Forest Service approval.
- k. The produced fluids (other than water) will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.
- b. Off-location campsites on National Forest lands are not proposed with this application. A multi-unit, self-contained crew camp will be utilized for the drilling and completion operations and will be entirely contained within the perimeter of the pad area.. The crew camp will be utilized consistent with this surface use plan and all wastes generated will be removed from Forest Service lands.

9. Well Site Layout :

- a. The well, whether drilling, producing, suspended, or abandoned, will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the southeast.
- c. The pad and road designs will be consistent with Forest Service specification as outlined in the Region 4 Oil and Gas Rooding Guidelines and the Manti-La Sal National Forest Oil and Gas Well Site Guidelines and are subject to Forest Service approval. No construction operations may begin prior to approval. Any modifications to approved plans are also subject to review and approval.
- d. The operator shall submit for approval, (within 90 days following completion of the well), a maintenance plan for the site, the project road and that portion of any Forest Development Road to be used for project access. A road use permit must be obtained from the Forest Service authorizing commercial use of Forest Service Development Roads. Requirements listed in the road-use permit must be followed.
- e. A pre-construction meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road must be construction-staked prior to this meeting. Site specific requirements will be discussed at that time.
- f. The pad has been staked at its maximum size of 270' X 355', however it will be constructed smaller if possible, depending upon rig availability. Should the layout change this application will be amended and approved utilizing a sundry notice.
- g. Sediment control will be maintained throughout the life of the project. Silt fences reinforced with steel mesh will be installed and maintained along all fill slopes and as necessary and practical during the construction and drilling of the associated well. Straw bales may also be used as necessary and practical and must be certified weed-free by the State of Utah. Should disturbance induced erosion begin in any area of the project it should be minimized as soon as practical utilizing approved sediment control structures. The Forest Service should be consulted immediately if questions or concerns arise as a result of erosion control.
- h. Ditching around the location is not proposed at this time since the location of the well is such

that it should not impound or re-divert surface waters. Ditching around the location will increase the potential for off-site erosion. Off-site surface waters should be allowed to run off of the slope as they presently do but under close monitoring to insure that erosion does not occur. Pad slopes and berms should be armored if erosion is anticipated or occurs as a result of disturbance.

- i. The project engineer and surveyors must be certified by the State in which they reside or maintain their business.
- j. All surface disturbing activities, including reclamation, will be supervised by a qualified, responsible official or company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- k. Prior to any drilling operations, the working surface of the drill site will be surfaced with aggregate material (gravel) to a depth of 8" to support anticipated loads throughout the life of the well.
- l. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- m. All fills will be free from vegetative materials and will be compacted in lifts no greater than 12 inches in thickness to a minimum of 90 percent Proctor dry density sufficient to prevent excessive settling.
- n. Diversion ditches will only be constructed if necessary and practical around the well site to prevent surface waters from entering the well site area. Energy dissipating structures will be utilized to prevent excessive erosion at the outflow and trap any sediment produced from the raw slopes and prevent excessive erosion.
- o. An 18" berm will be constructed around the perimeter of the site to contain all precipitation, spills, and other fluids from leaving the site. The berm will be 18 inches high, 12 inches wide at the top, and having a 1-1/2:1 side slopes. The site surface will be graded to drain to the pit. The drainage pattern to be constructed can be modified for the site depending on site-specific conditions.
- p. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil must be stripped from areas to be disturbed and stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- q. Pits will remain fenced until site cleanup.
- r. The blooie line will be located: At least 100 feet from the well head.
- s. To minimize the amount of fugitive dust and spray escaping from the blooie pit water injection will be implemented

10. Plans for Restoration of the Surface:

DRY HOLE

- a. Rehabilitation of the entire site will be required and will commence immediately after the drilling is complete. The site will be restored as nearly practical to its original condition. Cut and fill slopes will be reduced and graded to conform to the adjacent terrain.

- b. Fluids in the reserve pit will be pumped off and hauled to an approved disposal source, or re-used at another drill site. The operator will attempt to reclaim the reserve pit prior to winter, or the following summer.
- c. Drainages will be reestablished and temporary measures will be required to prevent erosion to the site until vegetation is established.
- d. The abandonment marker will be one of the following, as specified by BLM and Forest Service:
 - 1) at least four feet above ground level,
 - 2) at restored ground level, or
 - 3) below ground level.In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footage).
- e. After final grading and before the replacement of topsoil, the entire surface of the site shall be scarified to eliminate slippage surfaces and to promote root penetration. Topsoil will then be spread over the site to achieve an approximate uniform, stable thickness consistent with the established contours.
- f. A temporary fence (let down fence) will be constructed around the drill site to prevent continued use until the required reclamation standards are successfully achieved. The fence will then be removed.
- g. In general, the disturbed areas will be considered adequately re-vegetated when at least 90 percent of the original ground over is re-established over 90 percent of the seeded area, within three years of planting, consisting of seeded and desirable species. Maximum allowable non-noxious weeds is 10 percent of the total ground cover at any time. No noxious weeds will be allowed on the site; they must be treated as they occur. The operator is responsible for maintenance of reclamation facilities such as fences, barricades and temporary drainage structures until the desired reclaimed conditions are achieved. If the desired ground cover is not established at the end of each 3 year period, an analysis of why the areas has not recovered will be performed by the operator and additional treatment and seeding will be required based on the results of the analysis.
- h. Straw, hay, feed, or pellets used on the National Forests of Utah must be certified weed-free by the State of Utah.
- i. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.
- j. The well pad and access road will be reclaimed as per Forest Service. The operator will be informed of Forest Service requirements within 2 weeks following completion of the well to determine if the Forest Service can utilize the access road and/or well pad for recreational purposes. If the Forest Service agrees to take over the access and/or well pad, they also agree to take full responsibility for continued use and maintenance of the area and all liability associated with the same.

PRODUCING WELL

- a. Site reclamation for producing wells will be accomplished for portions of the site not required for the continued operation of the well. All disturbed surface will be treated to prevent erosion and to

complement the esthetics of the area. A new site plan will be required encompassing the facilities required for operation and interim reclamation measures.

- b. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. Once the reserve pit is dry, the reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. Methods for drying the pit, other than natural evaporation, are subject to prior Forest Service approval.
- c. Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.
- d. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.
- e. The plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.
- f. At the end of drilling operations, drilling fluids will be hauled to an approved disposal site. All polluting substances or contaminated materials, such as oil, oil-saturated soils, and gravel, will be removed from the Forest.
- g. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The berm will be removed and the drill site graded to drain.
- h. The stockpiled topsoil will be evenly distributed over the disturbed area.
- i. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.
- j. The site will be seeded and/or planted as prescribed by the Forest Service. Nutrients and soil amendments will be applied to the redistributed surface soil later as necessary to meet the revegetation requirements. The Forest Service will assign the seed mix. Seed will be broadcast or drilled between Sept. and Nov., or at a time specified by the Forest Service. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

11. Surface and Mineral Ownership:

- a. Surface Ownership is USDA Forest Service under the management of the Manti-La Sal National Forest 599 Price River Drive, Price, Utah 84501 435-637-2817.
- b. Mineral Ownership is Bureau of Land Management – 82 East Dogwood Avenue, Moab, Utah 84532 435-259-2106.

12. Other Information:

- a. AIA Archaeological has conducted a Class III archeological survey. A copy of the report has been submitted under separate cover to the appropriate agencies by AIA Archaeological.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the

operator as to:

1. Whether the materials appear eligible for the National Register of Historic Places;
2. the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
3. a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- c. A Threatened and Endangered flora and fauna survey will be conducted by Buys & Associates, Inc. in the spring. A copy of this report will be submitted to the appropriate agencies by Buys & Associates, Inc..
- d. Wildlife Seasonal Restrictions will be stipulated by the Forest Service biologist and the existing Forest EIS document.
- e. No off location Geophysical Testing will be completed as part of this project.
- f. One drainage crossings that requires additional State or Federal approval is being crossed. Approval to alter the drainage will be in place prior to any surface disturbing activities
- g. Fire suppression equipment must be available to all personnel on the project site. Equipment will include a minimum of one hand tool per crew member consisting of shovels, pulaskis, and chainsaws and one properly rated fire extinguisher per vehicle an/ or internal combustion engine.
- h. The operator will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.
- i. All accidents or mishaps resulting in resource damage and/or serious personal injury must be reported to the Forest Service as soon as possible.
- j. Harassment of wildlife and livestock is prohibited.
- k. All merchantable timber removed or destroyed by construction or other project related activities will be purchased by the operator at fair market value. The Forest Service will conduct a timber cruise and appraisal after the final clearing limits have been staked. Slash burning will be conducted only at locations approved by the Forest Service under authorization or a burning permit.
- l. An off-unit federal right-of-way must be in place prior to any access or pipeline construction disturbance that crosses out of the proposed Skyline Unit into Section 27 and 34, T14S, R6E.

13. Operator's Representative and Certification

<u>Title</u>	<u>Name</u>	<u>Office Phone</u>
Company Representative (Roosevelt)	Ken Secrest	1-435-722-4521
Company Representative (Oklahoma)	Carla Christian	1-405-749-5263
Agent for Dominion	Don Hamilton	1-435-719-2018

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Dominion Exploration & Production, Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Dominion's State bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature: Don Hamilton Date: 10-17-05

DOMINION EXPLR. & PROD., INC.
SKYLINE UNIT #14-28
SECTION 28, T14S, R6E, S.L.B.&M.

PROCEED IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION FROM HUNTINGTON, UTAH ALONG U.S. HIGHWAY 31 APPROXIMATELY 29.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM HUNTINGTON, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 32.4 MILES.

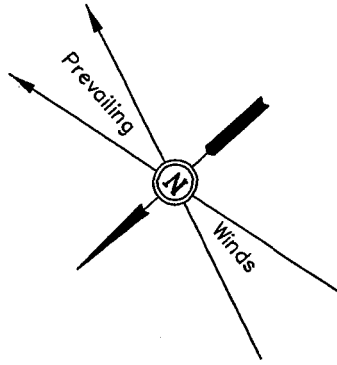
DOMINION EXPLR. & PROD., INC.

LOCATION LAYOUT FOR

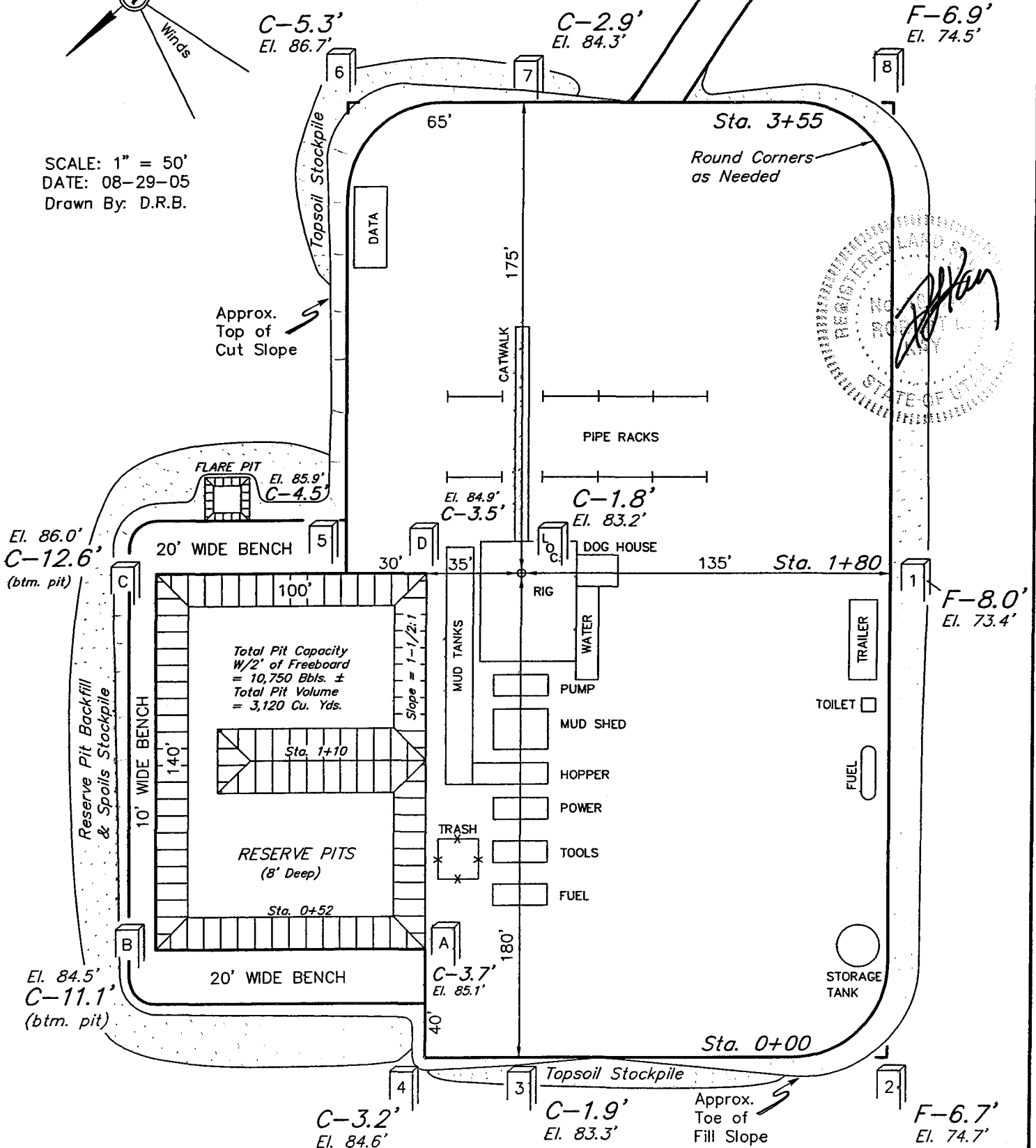
SKYLINE UNIT #14-28

SECTION 28, T14S, R6E, S.L.B.&M.

668' FSL 2545' FWL



SCALE: 1" = 50'
DATE: 08-29-05
Drawn By: D.R.B.



Elev. Ungraded Ground at Location Stake = 9083.2'
Elev. Graded Ground at Location Stake = 9081.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

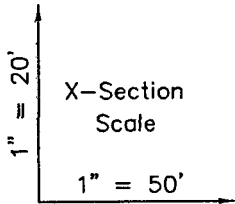
DOMINION EXPLR. & PROD., INC.

TYPICAL CROSS SECTIONS FOR

SKYLINE UNIT #14-28

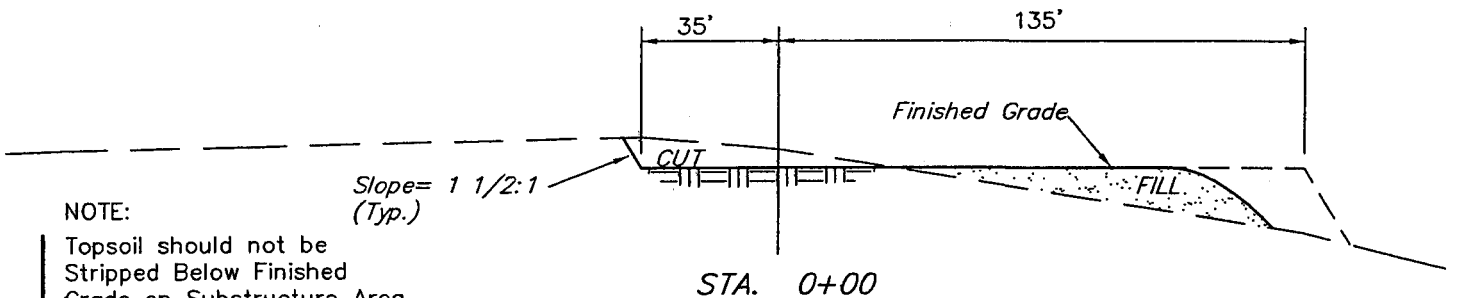
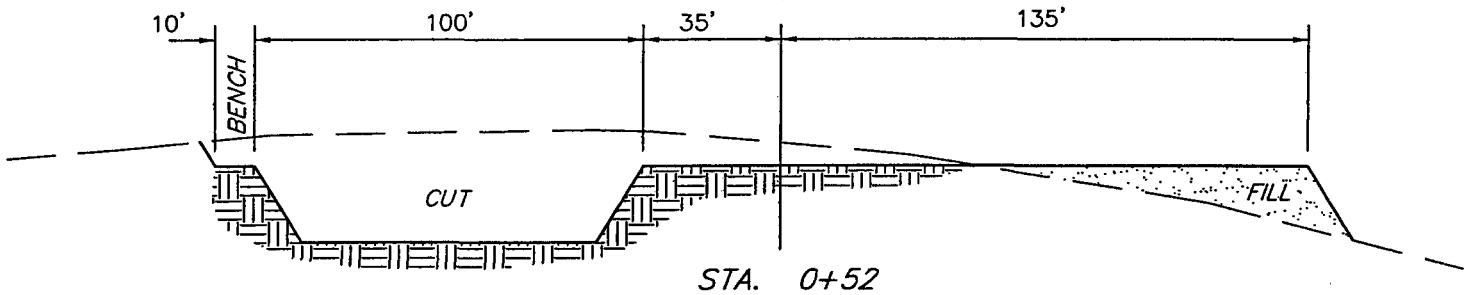
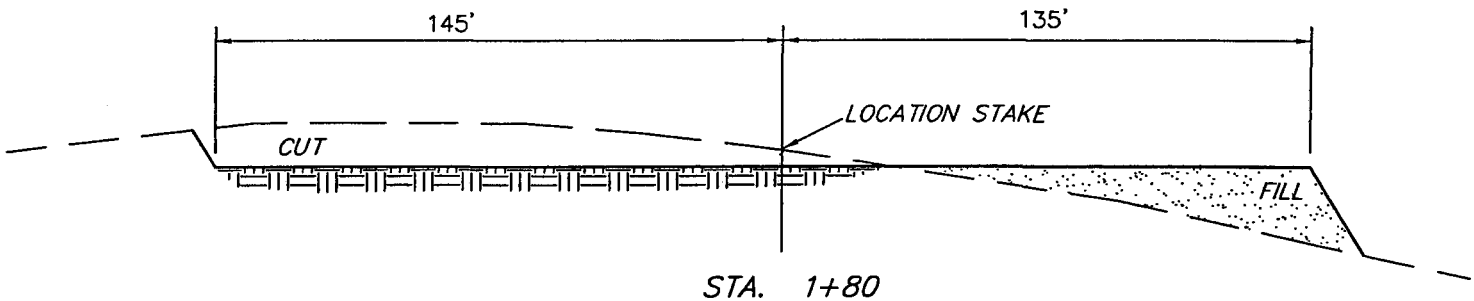
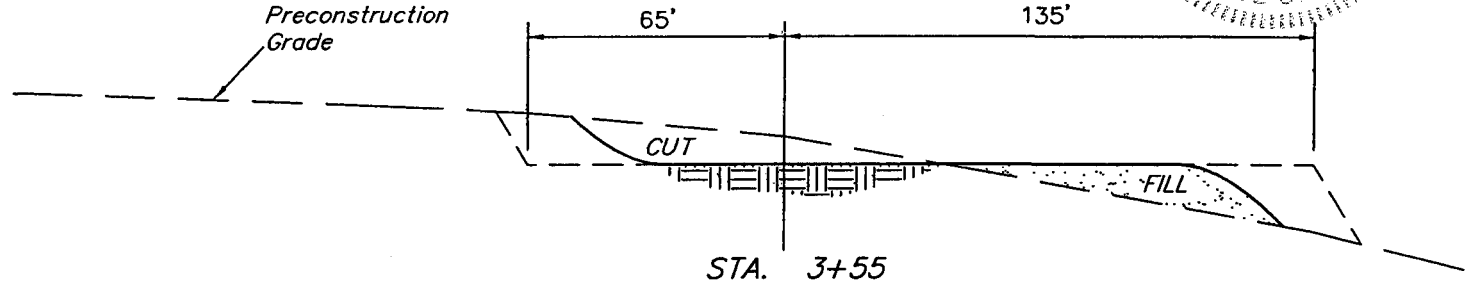
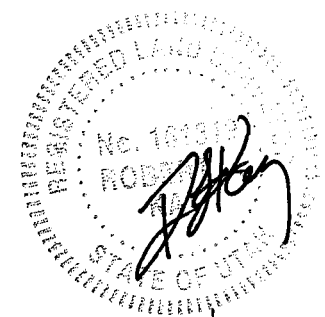
SECTION 28, T14S, R6E, S.L.B.&M.

668' FSL 2545' FWL



DATE: 08-29-05

Drawn By: D.R.B.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

Slope = 1 1/2:1 (Typ.)

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,780 Cu. Yds.

Remaining Location = 7,700 Cu. Yds.

TOTAL CUT = 9,480 CU.YDS.

FILL = 6,140 CU.YDS.

EXCESS MATERIAL = 3,340 Cu. Yds.

Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,340 Cu. Yds.

EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #14-28
LOCATED IN SANPETE COUNTY, UTAH
SECTION 28, T14S, R6E, S.L.B.&M.

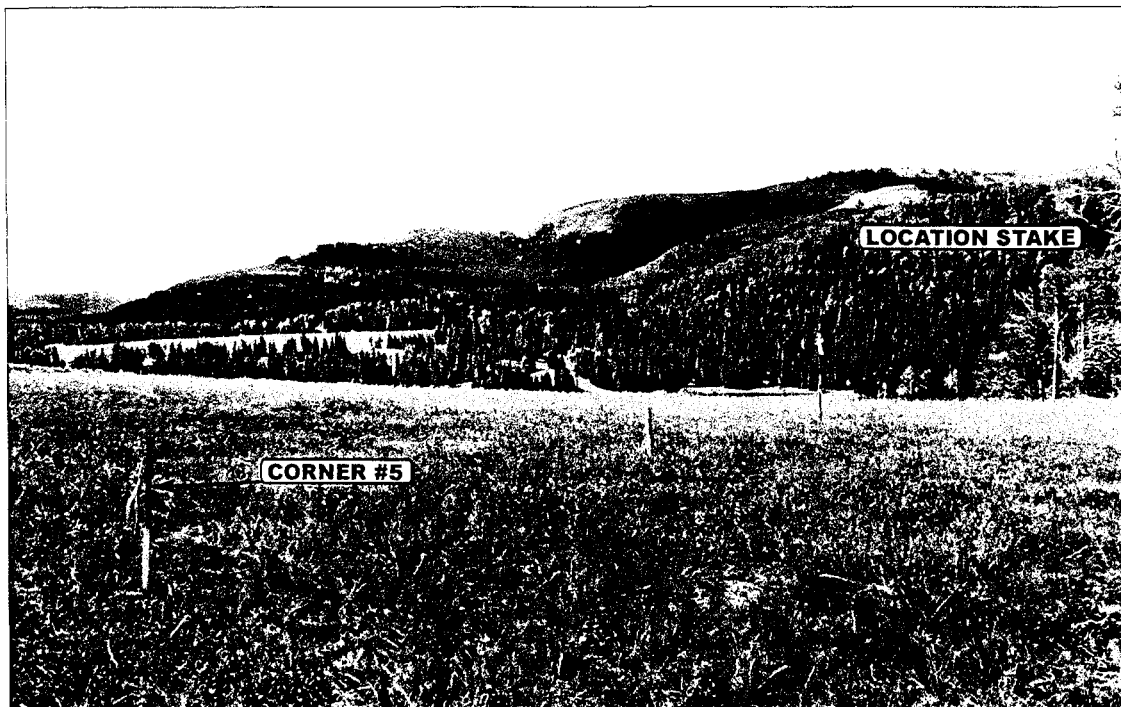


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

ELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

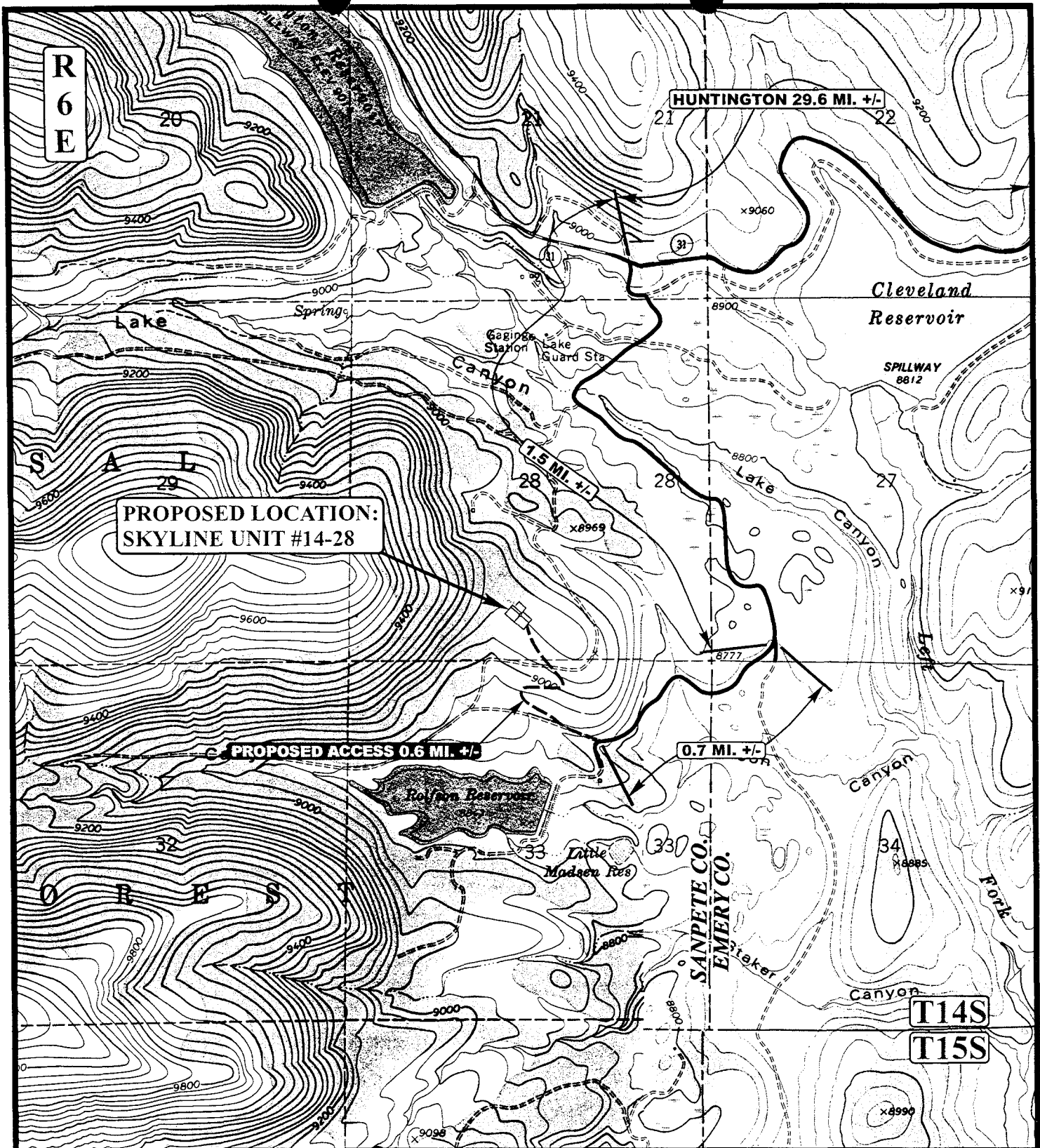
08 19 05
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD

DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #14-28
SECTION 28, T14S, R6E, S.L.B.&M.
668' FSL 2545' FWL

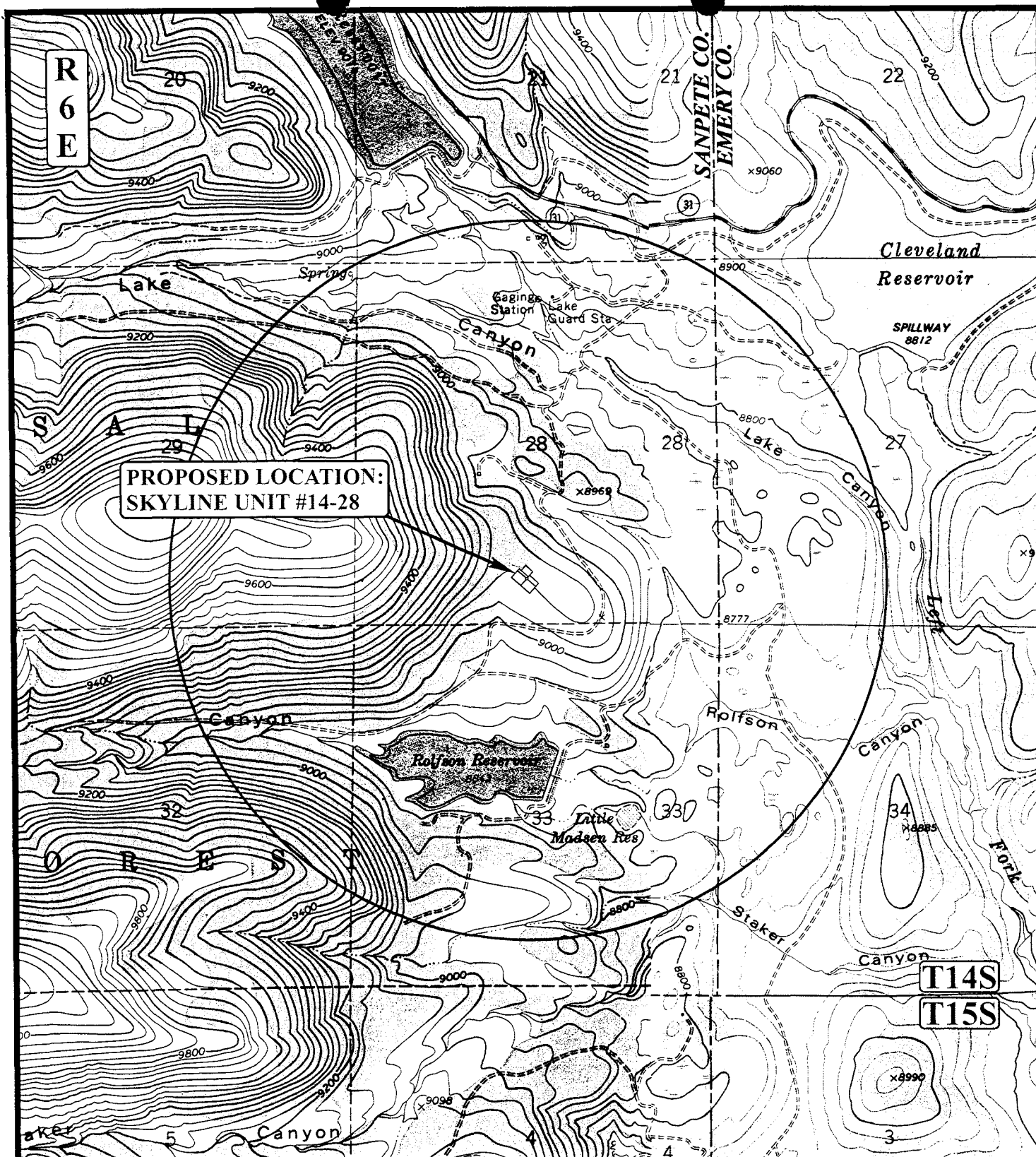


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 08 19 05
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

- | | |
|-----------------|-----------------------|
| DISPOSAL WELLS | WATER WELLS |
| PRODUCING WELLS | ABANDONED WELLS |
| SHUT IN WELLS | TEMPORARILY ABANDONED |



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
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DOMINION EXPLR. & PROD., INC.

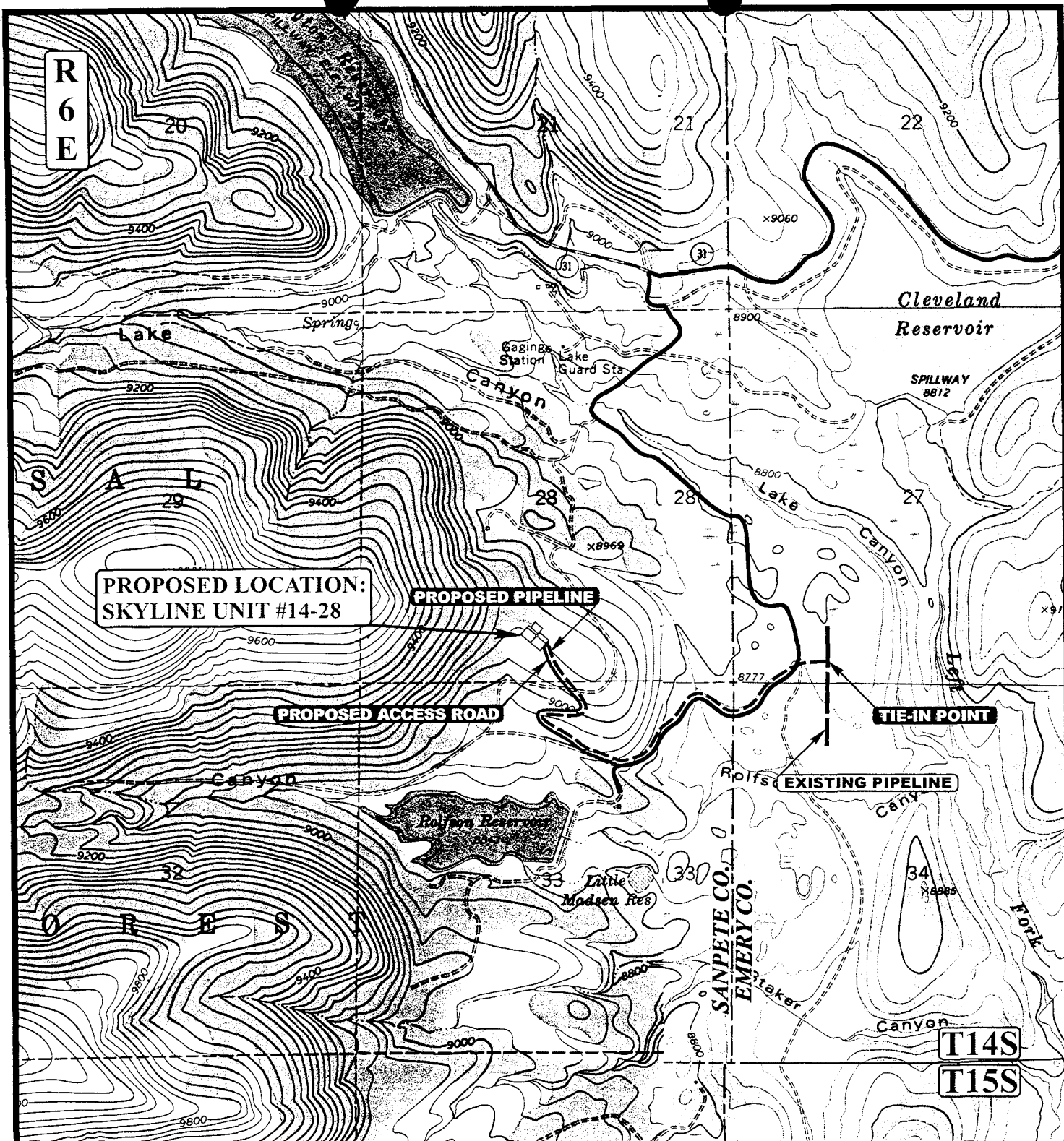
SKYLINE UNIT #14-28
 SECTION 28, T14S, R6E, S.L.B.&M.
 668' FSL 2545' FWL

TOPOGRAPHIC
 MAP

08 19 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 6,800' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #14-28
SECTION 28, T14S, R6E, S.L.B.&M.
668' FSL 2545' FWL



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85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

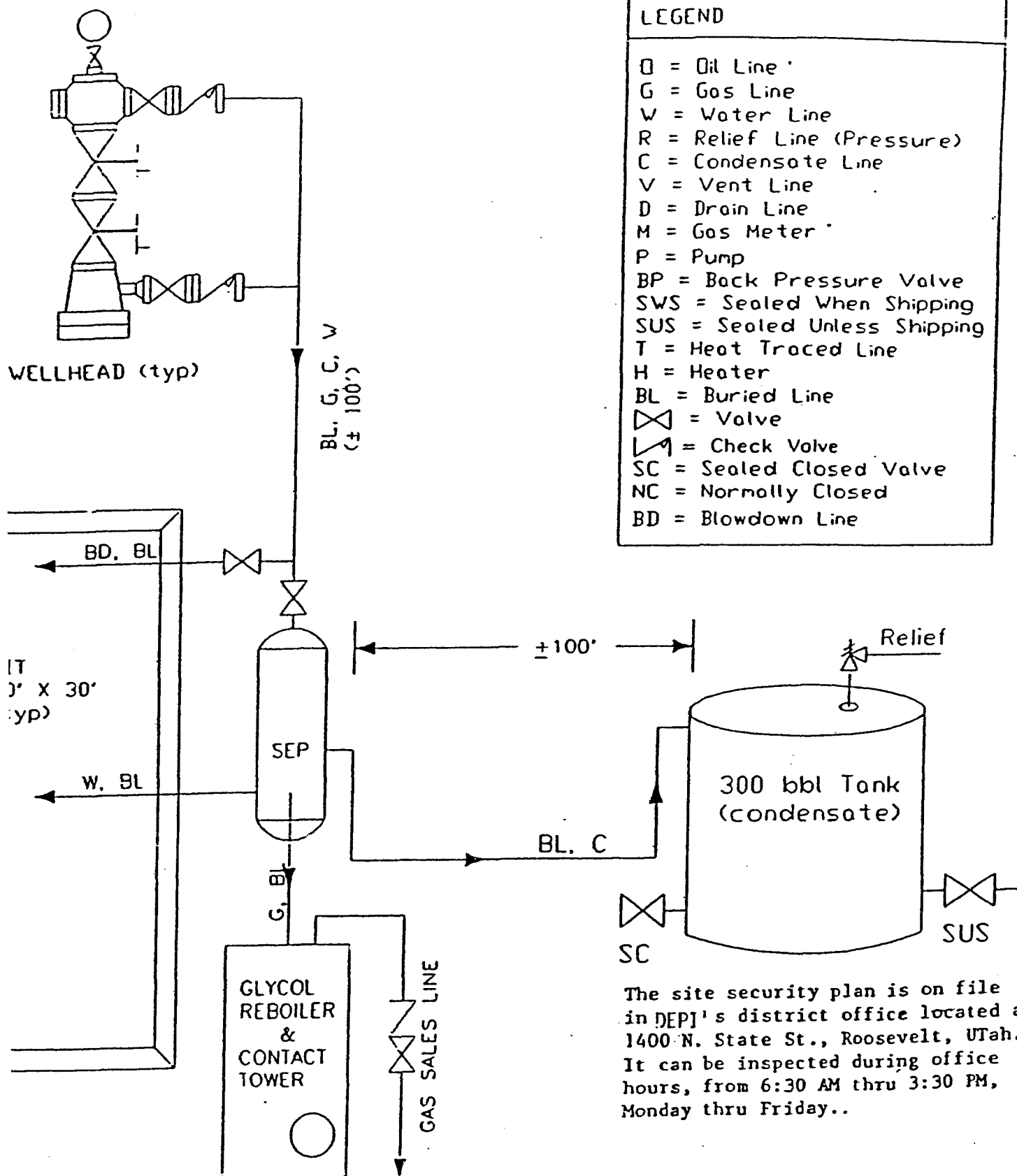
TOPOGRAPHIC
MAP

08 19 05
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 09-23-05



CONFIDENTIAL



The site security plan is on file in DEPJ's district office located at 1400 N. State St., Roosevelt, Utah. It can be inspected during office hours, from 6:30 AM thru 3:30 PM, Monday thru Friday..

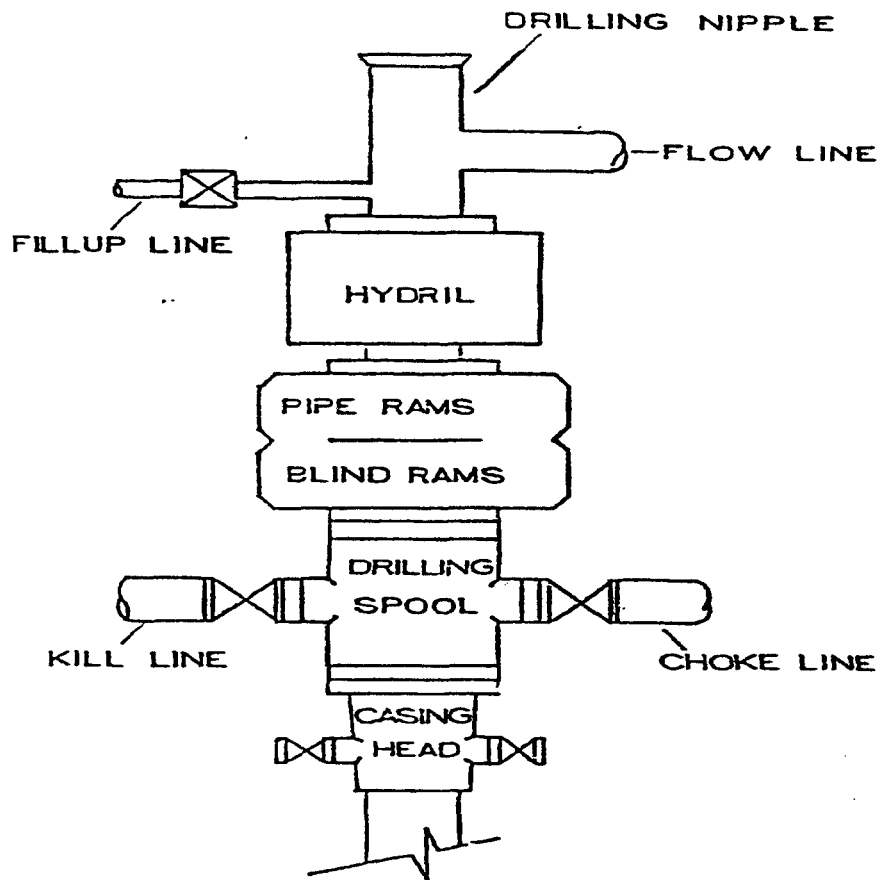
DOMINION EXPLORATION & PRODUCTION, INC.

TYPICAL FLOW DIAGRAM

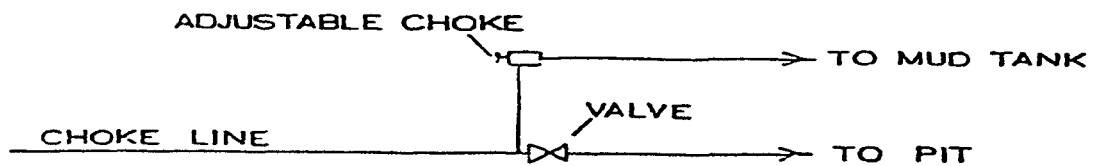
not to scale

date: / /

BOP STACK



CHOKE MANIFOLD



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/20/2005

API NO. ASSIGNED: 43-039-30028

WELL NAME: SKYLINE U 14-28

OPERATOR: DOMINION EXPL & PROD (N1095)

CONTACT: DON HAMILTON

PHONE NUMBER: 435-650-1886

PROPOSED LOCATION:

SESW 28 140S 060E

SURFACE: 0668 FSL 2545 FWL

BOTTOM: 0668 FSL 2545 FWL

SANPETE

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-77262

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: TNUNK

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.56808

LONGITUDE: -111.2566

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 76S630500330)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. T3091P)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☒ R649-2-3.

Unit

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

☒ Drilling Unit

Board Cause No:

Eff Date:

Siting:

☒ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Spacing Strip

T14S R6E

20

21

22

29

28

27

SKYLINE U 14-28

32

33

34

T15S R6E

OPERATOR: DOMION EXPL & PROD (N1095)

SEC: 28 T. 14S R. 6E

FIELD: WILDCAT (001)

COUNTY: SANPETE

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status

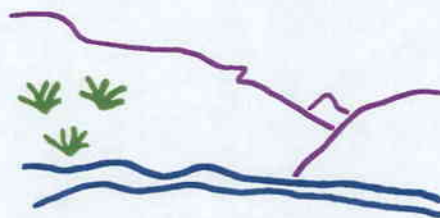
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 24-OCTOBER-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 13, 2006

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

Re: Skyline Unit 14-28 Well, 668' FSL, 2545' FWL, SE SW, Sec. 28, T. 14 South,
R. 6 East, Sanpete County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-039-30028.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Sanpete County Assessor
Bureau of Land Management, Moab District Office

Operator: Dominion Exploration & Production, Inc.
Well Name & Number Skyline Unit 14-28
API Number: 43-039-30028
Lease: UTU-77262

Location: SE SW Sec. 28 T. 14 South R. 6 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Dominion Exploration & Production, Inc.**

3a. Address
14000 Quail Spgs Pkwy, Suite 600, Oklahoma City, OK

3b. Phone No. (include area code)
405-749-5263

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
668' FSL & 2,545' FWL, SE/4 SW/4, Section 28, T14S, R6E, SLB&M

5. Lease Serial No.

UTU-77262

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

Skyline Unit

8. Well Name and No.

Skyline Unit 14-28

9. API Well No.

43-039-30028

10. Field and Pool, or Exploratory Area
undesignated

11. County or Parish, State

Sanpete County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other Update plans
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Attached please find the following updated drawing set to replace those submitted as Exhibit 'B' within the referenced APD presently pending approval:

Location Layout
Cross Sections
Detail Sheet

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED

SEP 18 2006

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Don Hamilton

Title **Agent for Dominion Exploration & Production, Inc.**

Signature

Don Hamilton

Date

9-12-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

FILE COPY

LOCATION LAYOUT FOR

SKYLINE UNIT #14-28

SECTION 28, T14S, R6E, S.L.B.&M.

668' FSL 2545' FWL

C-7.0'
El. 86.7'

Topsoil Stockpile

C-4.0'
El. 84.3'

NOTE:
12" OF GRAVEL IS TO BE PLACED
ON WELL PAD LOCATION. ALSO,
CONSTRUCT A 30'x30' LEVEL PAD
FOR SUBSTRUCTURE AREA.

*Proposed Access
Road*

F-7.2'
El. 74.5'
(Pad Grade)

SCALE: 1" = 50'

DATE: 08-29-05

Drawn By: D.R.B.

CONSTRUCT
DIVERSION
DITCH

65'

Sta. 3+55

Round Corners
as Needed

2.5' High w/ 1-1/2:1 Slope
Adequate Compaction
(Prior to Gravel Cap)

1% Slope

CONSTRUCT
-DITCH w/
1% SLOPE

CATWALK

PIPE RACKS

 El. 84.9'
 C-4.9'

C-2.9'
FL 8.32'

El. 86.0'
C-14.0'
(btm. pit)

FLARE PIT

WIDE BENCH

Total Pit Capacity
W/2' of Freeboard
= 10,750 Bbls. ±
Total Pit Volume
= 3,120 Cu. Yds.

Sta. 1+10

RESERVE PITS
(8' Deep)

Sta. 0+52

20' WIDE BENCH

Sta. 0+00

C-3.0'
El. 83.3'

Topsoil Stockpile

Approx.
Toe of
Fill Slope

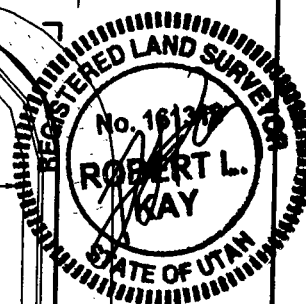
F-7.0'
El. 74.7'
(Pad Grade)

Elev. Ungraded Ground at Location Stake = 9083.2'

Elev. Graded Ground at Location Stake = 9080.3'

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



DOMINION EXPLR. & PROD., INC.

TYPICAL CROSS SECTIONS FOR

SKYLINE UNIT #14-28

SECTION 28, T14S, R6E, S.L.B.&M.

668' FSL 2545' FWL



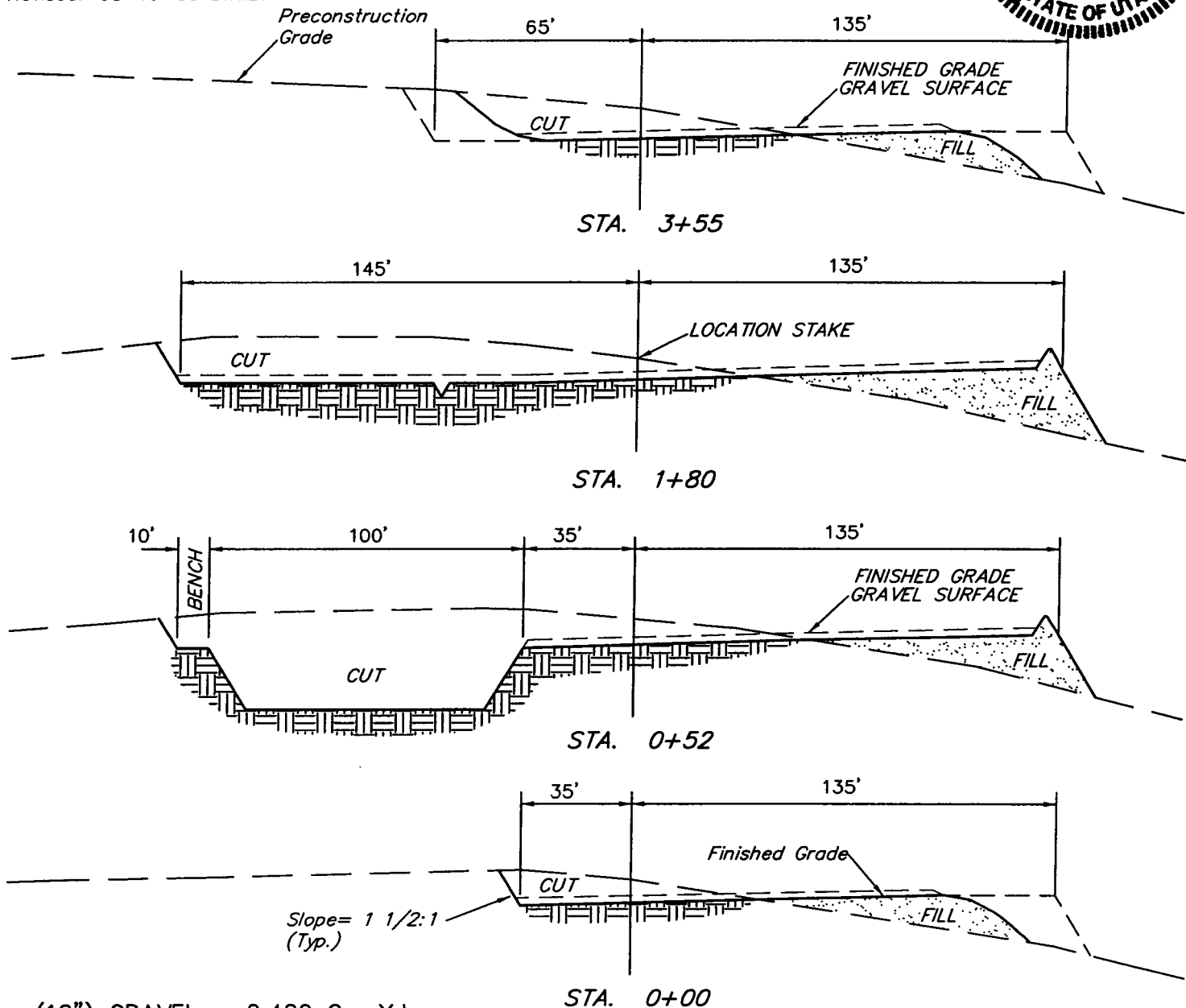
1" = 20'
X-Section
Scale
1" = 50'

DATE: 08-29-05

Drawn By: D.R.B.

Revised: 06-28-06 D.R.B.

Revised: 08-10-06 D.R.B.



(12") GRAVEL = 2,420 Cu. Yds.
(To Be Obtained from a Suitable Source)

APPROXIMATE YARDAGES

CUT
(12") Topsoil Stripping = 3,650 Cu. Yds.
Remaining Location = 8,990 Cu. Yds.

TOTAL CUT = 12,640 CU.YDS.
FILL = 7,430 CU.YDS.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

EXCESS MATERIAL = 5,210 Cu. Yds.
Topsoil & Pit Backfill = 5,210 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

DOMINION EXPLR. & PROD., INC.

DETAIL SHEET

DATE: 06-29-06

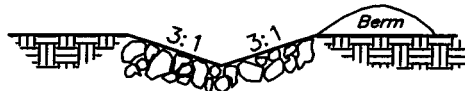
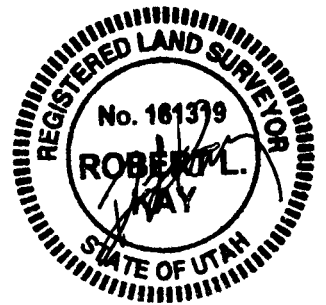
Drawn By: D.R.B.

Revised: 08-10-06 D.R.B.

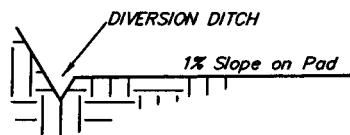
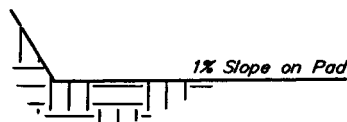
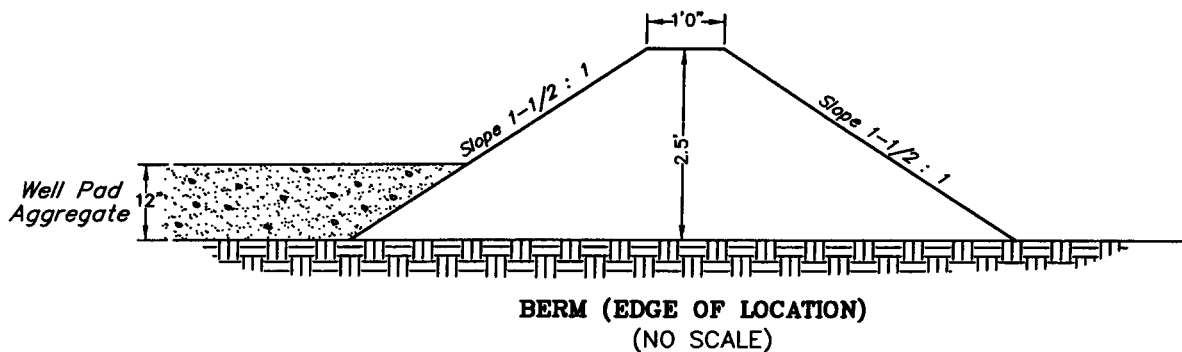
SKYLINE UNIT #14-28

SECTION 28, T14S, R6E, S.L.B.&M.

668' FSL 2545' FWL



RIP RAP IN WING DITCH (DETAIL)
(Only Where Specified)



DIVERSION DITCH (EDGE OF LOCATION)
(NO SCALE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

REMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

Dominion Exploration & Production, Inc.

3a. Address

14000 Quail Springs Pkwy, Ste 600, OKC, OK 73134

3b. Phone No. (include area code)

(405) 749-5237

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

668' FSL & 2545' FWL, SE SW, Sec. 28-14S-6E

5. Lease Serial No.

UTL 77262

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Skyline Unit 14-28

9. API Well No.

43-039-30028

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Sanpete, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Altering Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other

APD Extension

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

The state APD for this well expires February 13, 2007. Dominion is hereby requesting a one year extension.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-07-07
By: [Signature]

COPIES SENT TO OPERATOR
DATE: 2-8-07
TIME: 2 PM

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Barbara Lester

Title Regulatory Specialist

Signature

[Signature]

Date 1/29/2007

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

FEB 05 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-039-30028
Well Name: Skyline Unit 14-28
Location: 668' FSL & 2545' FWL, Sec. 28-14S-6E
Company Permit Issued to: Dominion Exploration & Production, Inc.
Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

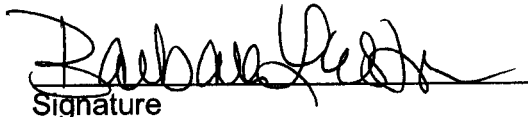
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

1/29/2007

Date

Title: Regulatory Specialist

Representing: Dominion Exploration & Production, Inc.

RECEIVED

FEB 05 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to use horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77262
2. NAME OF OPERATOR XTO Energy, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 1360 Roosevelt CO 84066		7. UNIT or CA AGREEMENT NAME: Undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 668' FSL & 2,545' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 28 14S 6E S		8. WELL NAME and NUMBER: SKYLINE U 14-28 9. API NUMBER: 4303930028 10. FIELD AND POOL, OR WILDCAT: Undesignated
		COUNTY: Utah San Pete STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>Permit Extension</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy, Inc. hereby requests a one year extension of the state permit for the referenced well.

This is the second extension that has been requested.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-04-07
By: [Signature]

NAME (PLEASE PRINT) <u>Marnie Griffin</u>	TITLE <u>Agent for XTO Energy, Inc.</u>
SIGNATURE <u>[Signature]</u>	DATE <u>11/28/2007</u>

(This space for State use only)

COPY SENT TO OPERATOR
Date: 12/5/2007
Initial: [Signature]

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4303930028
Well Name: SKYLINE U 14-28
Location: 668' FSL & 2,545' FWL
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

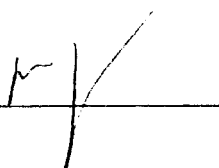
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Signature



11/28/2007

Date

Title: Agent

Representing: XTO Energy, Inc.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3100
(UT-922)

December 21, 2007

Dominion Expl. & Prod. Inc.
14000 Quail Springs Pkwy, Suite 600
Oklahoma City, OK 73134-2600

43-039-30028

Re: Notification of Expiration
Well No. Skyline Unit 8-7
SENE, Sec. 7, T15S, R6E
Lease No. UTU-78415
Well No. Skyline Unit 14-28
SESW, Sec. 28, T14S, R6E
Lease No. UTU-77262
Sanpete County, Utah

Dear Operator:

The Applications for Permit to Drill the above-referenced wells were approved on December 19, 2006. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year prior to the revision of Onshore Oil and Gas Order #1. In view of the foregoing, this office is notifying you that the approval of the referenced applications has expired. If you intend to drill at these locations in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for these drill sites. Any surface disturbance associated with the approved location of the wells is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Wilcken

Leslie Wilcken
Land Law Examiner
Branch of Fluid Minerals

cc: UDOGM
XTO Energy, Inc.

RECEIVED

DEC 24 2007

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

7/1/2007

FROM: (Old Operator): N1095-Dominion Exploration & Production, Inc 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134 Phone: 1 (405) 749-1300	TO: (New Operator): N2615-XTO Energy Inc 810 Houston St Fort Worth, TX 76102 Phone: 1 (817) 870-2800
--	--

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/6/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/6/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/6/2007
- Is the new operator registered in the State of Utah: Business Number: 5655506-0143
- If **NO**, the operator was contacted on: _____
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/27/2007
- Bond information entered in RBDMS on: 9/27/2007
- Fee/State wells attached to bond in RBDMS on: 9/27/2007
- Injection Projects to new operator in RBDMS on: 9/27/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000138
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 104312762
- The **FORMER** operator has requested a release of liability from their bond on: 1/23/2008

The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: XTO Energy Inc. <i>N2615</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 810 Houston Street CITY Fort Worth STATE TX ZIP 76102		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (817) 870-2800		8. WELL NAME and NUMBER: SEE ATTACHED
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED		9. API NUMBER: SEE ATTACHED
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: Natural Buttes

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective July 1, 2007, XTO Energy Inc. has purchased the wells listed on the attachment from:

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

N1095

James D. Abercrombie
James D. Abercrombie
Sr. Vice President, General Manager - Western Business Unit
(405) 749-1300

Please be advised that XTO Energy Inc. is considered to be the operator on the attached list and is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands. Bond coverage is provided by Nationwide BLM Bond #104312750 and Department of Natural Resources Bond #104312762.

NAME (PLEASE PRINT) Edwin S. Ryan, Jr. TITLE Sr. Vice President - Land Administration
SIGNATURE *Edwin S. Ryan, Jr.* DATE 7/31/2007

(This space for State use only)

APPROVED *9127107*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
AUG 06 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	SEE ATTACHED LIST
API number:	
Location:	Qtr-Qtr: Section: Township: Range
Company that filed original application:	DOMINION E&P
Date original permit was issued:	
Company that permit was issued to:	DOMINION E&P

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>104312762</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) HOLLY C. PERKINS Title REGULATORY COMPLIANCE TECH
Signature *Holly C. Perkins* Date 08/27/2007
Representing (company name) XTO ENERGY INC.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

AUG 30 2007

N1095 DOMINION E and P, INC. to N2615 XTO ENERGY, INC.

api	well_name	qtr_qtr	sec	tpw	rng	lease_num	entity	Lease	well	stat
4303930028	SKYLINE U 14-28	SESW	28	140S	060E	UTU-77262		Federal	GW	APD
4303930029	SKYLINE U 8-7	SENE	07	150S	060E	UTU-78415		Federal	GW	APD
4304737195	KC 6-33E	SENW	33	100S	190E	UTU-49522		Federal	OW	APD
4304737196	KC 9-33E	NESE	33	100S	190E	UTU-49522		Federal	OW	APD
4304737197	KC 11-33E	NESW	33	100S	190E	UTU-49522		Federal	OW	APD
4304738075	LCU 7-9H	NWSE	09	110S	200E	UTU-76265		Federal	GW	APD
4304738689	RBU 15-8E	NENE	17	100S	190E	U-013766		Federal	GW	APD
4304738783	KC 14-33E	SESW	33	100S	190E	UTU-49522		Federal	GW	APD
4304738868	LOVE 12-20G	NWSW	20	110S	210E	UTU-076040		Federal	GW	APD
4304738889	KC 9-31E	NESE	31	100S	190E	UTU-81719		Federal	GW	APD
4304738890	KC 13-31E	SWSW	31	100S	190E	UTU-81719		Federal	GW	APD
4304738891	KC 12-33E	NWSW	33	100S	190E	UTU-49522		Federal	GW	APD
4304738948	KC 14-31E	SESW	31	100S	190E	UTU-081719		Federal	GW	APD
4304738949	KC 3-33E	NENW	33	100S	190E	UTU-49522		Federal	GW	APD
4304739051	KC 15-31E	SWSE	31	100S	190E	UTU-81719		Federal	GW	APD
4304739068	KC 7-33E	SWNE	33	100S	190E	UTU-49522		Federal	GW	APD
4304739069	KC 13-33E	SWSW	33	100S	190E	UTU-49522		Federal	GW	APD
4304739070	KC 15-33E	SWSE	33	100S	190E	UTU-49522		Federal	GW	APD
4304739415	WHB 4-5H	NWNW	05	110S	200E	UTU-39223		Federal	GW	APD
4304739416	WHB 12-5H	NWSW	05	110S	200E	UTU-39223		Federal	GW	APD
4304739417	WHB 13-5H	SWSW	05	110S	200E	UTU-39223		Federal	GW	APD
4304739440	WHB 4-8H	NWNW	08	110S	200E	UTU-39223		Federal	GW	APD
4304739441	WHB 5-5H	NWNW	05	110S	200E	UTU-39223		Federal	GW	APD
4304738262	KINGS CYN 9-32E	NESE	32	100S	190E	ML-047059		State	GW	APD
4304738342	LCU 12-12H	NWSW	12	110S	200E	FEE		Fee	GW	APD
4304738378	KINGS CYN 11-32E	NESW	32	100S	190E	ML-047059		State	GW	APD
4304738690	KINGS CYN 11-36D	NESW	36	100S	180E	ML-47058		State	GW	NEW
4304738779	KC 5-36D	SWNW	36	100S	180E	ML-47058		State	GW	APD
4304738781	KC 6-32E	SENW	32	100S	190E	ML-47059		State	GW	APD
4304738782	KC 15-32E	NWSE	32	100S	190E	ML-047059		State	GW	APD
4304738786	AP 11-2J	NESW	02	110S	190E	ML-36213		State	GW	APD
4304738787	AP 13-2J	SWSW	02	110S	190E	ML-36213		State	GW	APD
4304738950	KC 13-32E	SESW	32	100S	190E	ML-047059		State	GW	APD
4304739218	KC 14-32E	SESW	32	100S	190E	ML-047059		State	GW	APD
4304739219	KC 16-32E	SESE	32	100S	190E	ML-047059		State	GW	APD
4304739222	LCU 14-12H	SESW	12	110S	200E	FEE		Fee	GW	APD
4304739315	AP 12-2J	NWSW	02	110S	190E	ML-36213		State	GW	NEW

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77262
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: Skyline II Unit
2. NAME OF OPERATOR: XTO Energy, Inc.			8. WELL NAME and NUMBER: SKYLINE U 14-28
3. ADDRESS OF OPERATOR: P.O. Box 1360		CITY Roosevelt STATE UT ZIP 84066	9. API NUMBER: 4303930028
		PHONE NUMBER: (435) 722-4521	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 668' FSL & 2,545' FWL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 28 14S 6E S STATE: UTAH			

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Permit Extension
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

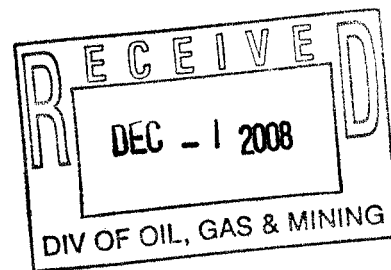
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy, Inc. hereby requests a one year extension of the state permit for the referenced well.

This is the second extension that has been requested.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-01-08
By: [Signature]



NAME (PLEASE PRINT) Kendell Johnson	TITLE Agent for XTO Energy, Inc.
SIGNATURE <u>Kendell Johnson</u>	DATE 11/14/2008

(This space for State use only)

COPY SENT TO OPERATOR

Date: 12-4-2008
Initials: KS

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4303930028
Well Name: SKYLINE U 14-28
Location: 668' FSL & 2,545' FWL, SE SW Sec. 28, 14S-6E
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Kendell Johnson
Signature

11/14/2008
Date

Title: Kendell Johnson

Representing: XTO Energy, Inc.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
 2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

4/1/2009

FROM: (Old Operator):

N2615-XTO Energy, Inc.
 392 CR 3100
 Aztec, NM 87410

Phone: 1 (505) 333-3170

TO: (New Operator):

N2855-Liberty Pioneer Energy Source
 1411 East 840 North, Suite 1490
 Orem, UT 84097-5486

Phone: 1 (801) 224-4771

CA No.

Unit:

SKYLINE II

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SKYLINE U 14-28	28	140S	060E	4303930028		Federal	GW	APD
SKYLINE U 8-7	07	150S	060E	4303930029		Federal	GW	APD

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/27/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/27/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/29/2009
- a. Is the new operator registered in the State of Utah: Business Number: 6353640-0143
- b. If **NO**, the operator was contacted on: _____
- a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: N/A
- c. Reports current for Production/Disposition & Sundries on: OK
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 12/18/2008 BIA
- Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: 12/18/2008
- Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 4/29/2009
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/29/2009
- Bond information entered in RBDMS on: 4/29/2009
- Fee/State wells attached to bond in RBDMS on: _____
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: 4/27/2009

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000334
- Indian well(s) covered by Bond Number: _____
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number _____
- b. The **FORMER** operator has requested a release of liability from their bond on: n/a
 The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

COMMENTS:



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

#393

December 15, 2008

Liberty Pioneer Energy Source
c/o UnitSource Incorporated
11184 Huron Street, Suite 16
Denver, Colorado 80234

Gentlemen:

The Skyline II Unit Agreement, Emery and Sanpete Counties, Utah, was approved on December 15, 2008. This agreement has been designated No. UTU86686X, and is effective as of the date of approval.

This unit provides for the drilling of two obligation wells and subsequent drilling obligations pursuant to Section 9 of the unit agreement. The initial well is to be drilled to a depth of 8,750 feet or a depth sufficient to test 125 feet below the Base of the Ferron Sandstone, whichever is less, and located in the NE $\frac{1}{4}$ of Section 7, Township 15 South, Range 6 East, SLM&B, Sanpete County, Utah. The second well is to be drilled to a depth of 7,235 feet or a depth sufficient to test 125 feet below the Base of the Ferron Sandstone, whichever is less, and located in the SW $\frac{1}{4}$ of Section 28, Township 14 South, Range 6 East, SLM&B, Sanpete County, Utah. No extension of time beyond June 29, 2009, will be granted to commence the "obligation well" other than "unavoidable delay" (Section 25), where justified.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

The basic information is as follows:

1. The area to be unitized was approved under the unit plan regulations of December 22, 1950, by Bureau of Land Management letter of November 24, 2008.
2. All formations are unitized.
3. The unit area embraces 38,883.23 acres, more or less, of which 34,247.67 acres (88.08 percent) are Federal Lands, 920.00 acres (2.37 percent) are State Lands and 3,715.56 acres (9.55 percent) are Patented Lands.

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DEC 18 2008

U.S. DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



The following leases embrace lands included within the unit area:

UTU77262*	UTU78415	UTU78741	UTU79945
UTU77263*	UTU78416	UTU78742	UTU80163*
UTU78000	UTU78421	UTU78802	UTU80164
UTU78414*	UTU78422*	UTU79644*	

* Indicates lease to be considered for segregation by the Bureau of Land Management pursuant to Section 18 (g) of the unit agreement and Public Law 86-705.

All lands and interests are effectively committed except Tract 17 totaling 920.00 acres (2.37 percent) which is fully committed; Tract 42 totaling 359.64 acres (0.92 percent) which is partially committed; and Tracts 18-41 and 43-57 totaling 3,355.92 acres (8.63 percent) which are not committed. Also, certain overriding royalty interest owners have not signed the unit agreement. All parties owning interests within this unit area were invited to join the unit agreement.

Unleased Federal land, Tract 26, totaling 3,039.53 acres (7.82 percent), is not committed, but is considered to be controlled acreage because, prior to issuance of leases for the acreage, the lessee(s) may be required to commit to the unit agreement.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources. Certification-Determination, signed by the School and Institutional Trust Land Administration for the State of Utah, is attached to the enclosed agreement.

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

Enclosure

bcc: UDOGM
MMS - MRM (Attn: Leona Reilly)
SITLA
BOR
Manti-La Sal Nation Forest
Field Manager - Richfield w/enclosure
Field Manager - Price w/enclosure
File - Skyline II Unit w/enclosure
Fluids - Al
Fluids - Judy
Fluids - Mickey
Agr. Sec. Chron
Reading File
Central Files

UT922:LWilcken:lw:12/16/08

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DEC 18 2003
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small>		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77262
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Skyline II
2. NAME OF OPERATOR: XTO Energy Inc. <i>N2615</i>		8. WELL NAME and NUMBER: Skyline Unit 14-28
3. ADDRESS OF OPERATOR: Box 1360; 978 N Crescent CITY Roosevelt STATE UT ZIP 84066		9. API NUMBER: 4303930028
4. LOCATION OF WELL FOOTAGES AT SURFACE: 668' FSL & 2,545' FWL, QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 28 14S 6E S		10. FIELD AND POOL, OR WILDCAT: undesignated COUNTY: Sanpete STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 2/15/2009	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective April 1, 2009 XTO Energy Inc. resigned as Operator of the referenced well and requests that the operator be designated and the referenced approved APD transferred from XTO Energy Inc. to successor operator Liberty Pioneer Energy Source.

Liberty Pioneer Energy Source will operate the well under the approved conditions and approved APD utilizing BLM Blanket Bond UTB-000334.

XTO Energy Inc.

Edwin S. Ryan, Jr.
Edwin S. Ryan, Jr.
Senior Vice President Land - Administration

N2855
Liberty Pioneer Energy Source

D. R. Gunnell
Daniel R. Gunnell- President
1411 E 840N Suite 1409
Orem Utah 84097-5486
801 224-4771

NAME (PLEASE PRINT) Edwin S. Ryan, Jr.	TITLE Senior Vice President Land - Administration
SIGNATURE <i>Edwin S. Ryan, Jr.</i>	DATE 4/1/2009

(This space for State use only)

APPROVED *4 129109*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
APR 27 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill


(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Skyline Unit 14-28
API number:	4303930028
Location:	Qtr-Qtr: SESW Section: 28 Township: 14S Range: 6E
Company that filed original application:	Dominion Exploration & Production, Inc. then transferred to XTO Energy, Inc.
Date original permit was issued:	02/13/2006
Company that permit was issued to:	Dominion Exploration & Production, Inc. then transferred to XTO Energy, Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
<input type="checkbox"/> If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>UTB-000334</u>	✓	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Daniel R. Gunnell Title President
Signature  Date 04/01/2009
Representing (company name) Liberty Pioneer Energy Source

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

RECEIVED
APR 27 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77262			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: LIBERTY PIONEER ENERGY SOURCE, INC		7. UNIT or CA AGREEMENT NAME: SKYLINE II			
3. ADDRESS OF OPERATOR: 1411 East 840 North, Orem, UT, 84097		8. WELL NAME and NUMBER: SKYLINE U 14-28			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0668 FSL 2545 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 28 Township: 14.0S Range: 06.0E Meridian: S		9. API NUMBER: 43039300280000			
PHONE NUMBER: 801 224-4771 Ext		9. FIELD and POOL or WILDCAT: WILDCAT			
COUNTY: SANPETE		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Liberty Pioneer Energy Source, Inc. hereby requests a one year extension of the state permit for the referenced well. This is the third extension that has been requested with the original permit being approved 02/13/2006. Federal approval remains pending at this time.					
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: <u>September 03, 2009</u> By:			
NAME (PLEASE PRINT) Don Hamilton		PHONE NUMBER 435 719-2018			
SIGNATURE N/A		TITLE Permitting Agent (Buys & Associates, Inc) DATE 9/2/2009			



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43039300280000

API: 43039300280000

Well Name: SKYLINE U 14-28

Location: 0668 FSL 2545 FWL QTR SESW SEC 28 TWNP 140S RNG 060E MER S

Company Permit Issued to: LIBERTY PIONEER ENERGY SOURCE, INC

Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Don Hamilton

Date: 9/2/2009

Title: Permitting Agent (Buys & Associates, Inc) **Representing:** LIBERTY PIONEER ENERGY SOURCE, INC

Date: September 03, 2009
By: 

RECEIVED September 02, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77262			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: LIBERTY PIONEER ENERGY SOURCE, INC		7. UNIT or CA AGREEMENT NAME: SKYLINE II			
3. ADDRESS OF OPERATOR: 1411 East 840 North, Orem, UT, 84097		8. WELL NAME and NUMBER: SKYLINE U 14-28			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0668 FSL 2545 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 28 Township: 14.0S Range: 06.0E Meridian: S		9. API NUMBER: 43039300280000			
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COUNTY: SANPETE		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/15/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____
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<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: January 11, 2010			
<div style="text-align: right;"> By: </div>					
NAME (PLEASE PRINT) Don Hamilton		PHONE NUMBER 435 719-2018			
SIGNATURE N/A		TITLE Permitting Agent (Buys & Associates, Inc)			
		DATE 1/7/2010			

RECEIVED January 07, 2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43039300280000

API: 43039300280000

Well Name: SKYLINE U 14-28

Location: 0668 FSL 2545 FWL QTR SESW SEC 28 TWNP 140S RNG 060E MER S

Company Permit Issued to: LIBERTY PIONEER ENERGY SOURCE, INC

Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

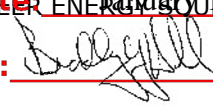
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**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Don Hamilton

Date: 1/7/2010

Title: Permitting Agent (Buys & Associates, Inc) **Representing:** LIBERTY PIONEER ENERGY SOURCE, INC

Date: January 11, 2010
By: 

RECEIVED January 07, 2010



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 14, 2011

Liberty Pioneer Energy Source, Inc
1060 East Highway 40
Vernal, Utah 84078

Re: APD Rescinded – Skyline Unit 14-28, Sec.28, T. 14S, R. 6E,
Sanpete County, Utah API No. 43-039-30028

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 13, 2006. On February 7, 2007, December 4, 2007, December 1, 2008, September 3, 2009 and January 11, 2010 the Division granted a one-year APD extension. On March 25, 2011, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective April 14, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Moab

